



GOCHNOUR & ASSOCIATES, INC.

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March 8, 2004

Mr. Paul Baker
State of Utah
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Ms. Denice Swanke
Project Manager
Bureau of Land Management
82 East Dogwood
Moab, Utah 84532

Mr. Will Stokes
Minerals Resource Specialist
School Trust Lands Administration
355 West North Temple
#3 Triad Center, Suite 400
Salt Lake City, UT 84180

**RE: Lisbon Valley Mining Co. LLC (Summo USA Corporation - Operator)
Request to Perform Exploration Drilling - Spring 2004
Centennial Pit Area of the Lisbon Valley Project**

Mr. Baker, Ms. Swanke & Mr. Stokes:

Per recent phone conversations, Lisbon Valley Mining Co., LLC (Summo USA Corporation - Manager) hereby requests approval from the Division of Oil, Gas & Mining (DOGM), Bureau of Land Management (BLM) and School Trust Lands to access and drill up to twenty-nine (29) exploration/development holes at the Lisbon Valley Project. The purpose of these holes is to confirm additional resources within the boundary of the permitted Centennial Pit at Lisbon Valley. The proposed activities are located within Sections 25 (BLM) and 36 (State Land), Township 30 South, Range 25 East.

A breakdown of proposed exploration/use/activities, by surface ownership, for the 29 sites/holes and affiliated access is as follows:

Bureau of Land Management Controlled Lands

- Number of Drill Sites = 21
- 1000 Linear Feet of Access (all access will be within the existing disturbance of the current Centennial Pit)

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DIVISION OF OIL, GAS & MINING

Mr. Paul Baker
Ms. Denise Swanke
Mr. Will Stokes
March 9, 2004
Page 2

State (School Trust) Controlled Lands

- Number of Drill Sites = 8
- 2100 Linear Feet of Access (all access will be within the existing disturbance of the current Centennial Pit)

Project Totals

- Number of Drill Sites = 29
- Linear feet of access construction within the pit = 3100'

A map of proposed access routes and drill sites is provided as **Attachment A**.

Drilling will be to depths of up to 1000 feet. Water in this area of the project is approximately 700 feet below ground surface.

The equipment that will be utilized to perform this proposed activity includes one minimal impact all-terrain reverse-circulation drill rig and support vehicles (pick-ups and drill rig support vehicles, etc.). A backhoe may be utilized for this request to provide safe access, a level drilling surface, sumps to contain excess drill cutting material, and for reclamation activities.

No cultural resources or sensitive species of vegetation or wildlife are anticipated to be impacted by this request since proposed activities are located within previously inventoried/approved mine related activities and current mine/pit area disturbance.

Following completion of the drilling activities, the areas will be cleaned up. Drill holes that encounter groundwater will be plugged with bentonite plug and cuttings will be shoveled back down the holes. The sites will be graded, contoured, and seeded (during the proper planting season).

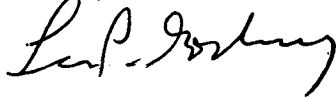
For budgeting/reclamation bonding purposes, groundwater is expected to be encountered in all 29 holes. If encountered, this will require a bentonite seal (plug) upon abandonment. Summo has projected a maximum total of 15,128 linear feet of bentonite plugging for this proposal. Rather than bond for plugging of all 29 holes, Summo proposes to commit (contractually obligate the driller) to plugging each hole prior to initiating drilling on the next hole. This will minimize overall reclamation bonding requirement. As further assurance, there are moneys held from previous exploration efforts allocated for drill hole plugging. This money can also be accessed, even though all holes have been properly plugged. Surface access/disturbance within the pit will be left as is. All support equipment and supplies will be removed from the site. An estimate of reclamation costs for bonding purposes is provided in **Attachment B**. All conditions attached to previous drilling efforts will be complied with.

Should you require a site visit for this request, please contact me at your earliest convenience to coordinate schedules with the Project Geologist (Chuck Bauer).

Summo wishes to begin drilling this spring (weather and drill rig availability permitting). Once you have reviewed and approved the proposed plan, I will prepare and submit the necessary Reclamation Contract for submittal to DOGM. Due to availability and costs of surety bonds in the current insurance market environment, Summo will submit a Cash Bond or CD to guarantee reclamation for this activity. If you have any questions regarding this request, please contact me at the listed letterhead number.

Mr. Paul Baker
Ms. Denise Swanke
Mr. Will Stokes
March 9, 2004
Page 3

Sincerely,


A handwritten signature in black ink, appearing to read "Lee 'Pat' Gochnour". The signature is fluid and cursive, with the first name "Lee" and last name "Gochnour" clearly visible, and a middle initial or name "Pat" in quotes.

Lee "Pat" Gochnour
Consultant to Summo USA Corporation

Attachments (2)

cc: Greg Hahn - Summo





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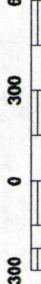
Lisbon Valley Project
March 4, 2004

Centennial Pit Exploration

DRAWN BY: ETC

Legend

- Existing Access Roads
- Access Roads on Bureau of Land Management (BLM)
- Access Roads on State Land
- Drill Hole Locations
- Bureau of Land Management (BLM)
- State Land

Attachment A

ATTACHMENT B

Reclamation Cost Estimates

Bentonite Plugging - Up to 1000 feet (5" hole) @\$3.00 per foot	= \$3,000.00
Overland Travel/Access Reclamation	= N/A
Drill Site Reclamation/Clean-up - 29 sites @ \$150 per site	= <u>\$4,350.00</u>
Total	= \$7,350.00